

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

COMPLAINT OF KENTUCKY INDUSTRIAL)	
UTILITY CUSTOMERS AGAINST)	CASE NO. 9597
LOUISVILLE GAS AND ELECTRIC COMPANY)	

O R D E R

On June 3, 1986, the Kentucky Industrial Utility Customers ("KIUC") filed a formal complaint naming Louisville Gas and Electric Company ("LG&E") as the defendant. KIUC alleged that LG&E's charge for natural gas transportation is excessive and asked the Commission to make a full investigation as to the justness and reasonableness of the charges contained in LG&E's Rate GTS (Gas Transportation Service).

A motion for limited intervention was filed by AnaMag on June 26, 1986. By Order dated June 30, 1986, the Commission granted AnaMag's motion.

On July 1, 1986, LG&E filed its response to KIUC and moved for dismissal of the complaint. Subsequently, on July 16, 1986, a Memorandum of Opposition was filed by KIUC. In this Memorandum, KIUC requested that the Commission order LG&E to institute a cost-of-service study for determining the proper price for transportation service and that a hearing be granted in this matter. LG&E followed KIUC's Memorandum with a response filed on July 23,

1986, to correct what it found as unjustifiable statements made by KIUC and to reaffirm and renew its Motion to Dismiss.

A further letter was submitted by KIUC on July 30, 1986, asserting that although LG&E's transportation rate is lawful, it was never approved by the Commission. LG&E responded on August 6, 1986, with an explanation of the Commission's authorization of its transportation rate.


KIUC's complaint that LG&E's transportation rate is excessive is really another means of questioning the Commission's acceptance of gross margin transportation rates. KIUC has not raised any issues in its complaint that were not considered when LG&E's transportation rate was authorized. The Commission has no basis to open an investigation.

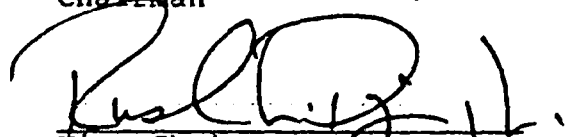
The design of transportation rates is one of the issues in Administrative Case No. 297. If any change is to be made in transportation rates, it will be as a result of that investigation. Both KIUC and LG&E are participating in that investigation. KIUC's complaint against LG&E is not the proper avenue to change the Commission's position as to the design of transportation rates. The Commission is of the opinion that KIUC's complaint should be dismissed.

IT IS THEREFORE ORDERED that this case be and it hereby is dismissed.

Done at Frankfort, Kentucky, this 16th day of September, 1986.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director